

County Commissioners of Charles County

**Resolution No. 99-54
Amendment No. 1**

WHEREAS, on June 1, 1999 the County Commissioners of Charles County adopted Resolution No. 99-54, establishing new policies and procedures for the operation of the Charles County Purchasing Office and;

WHEREAS, Resolution No. 99-54 contained specific monetary thresholds and limitations pertaining to the procurement of goods and services and;

WHEREAS, the County Commissioners of Charles County recognize that the specific monetary thresholds and limitations contained in Resolution No. 99-54 must be periodically amended in order to adjust for increases in the price of goods and services;

THEREFORE, BE IT RESOLVED, that the Charles County Board of Commissioners do hereby make the following changes to Resolution No. 99-54;

(1) Section 203-1, Subsection B "Competitive Bidding," change current threshold of \$15,000.00, required for formal advertising, to \$25,000.00. Further change any subsequent sections in Resolution 99-54 which references the formal bid limit.


(2) Section 203-1, Subsection G "Blanket Purchase Orders," change current Blanket Purchase Order monetary limit of \$ 500.00 to \$1000.00. Further change any subsequent sections in Resolution 99-54 which references the Blanket Purchase Order monetary limit.


BE IT FURTHER RESOLVED, that all agencies over which the County Commissioners have expenditure control and which have been subject to the policies and procedures as defined in Resolution No. 99-54 shall now be subject to the revisions contained herein.

AND IT IS FINALLY RESOLVED, that this Resolution Amendment shall be effective on the 17 day of October, 2005.

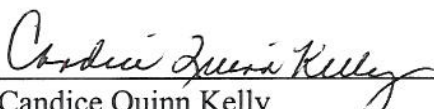
COUNTY COMMISSIONERS OF

CHARLES COUNTY, MARYLAND


Wayne Cooper, President


Robert J. Fuller


Edith J. Patterson


Candice Quinn Kelly


Allan R. Smith

Attest Linda Rollins

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

RESOLUTION NO. 99-54

WHEREAS, the County Commissioners of Charles County, Maryland, adopted Resolution No. 77-10 on March 8, 1977, establishing "Policies and Procedures for the operation of the Purchasing Office"; and

WHEREAS, it has been deemed appropriate and is the Commissioners' desire to amend Resolution No. 77-10.

NOW, THEREFORE, WE, THE COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND, on this 1st day of June, 1999, DO HEREBY RESOLVE to approve and adopt the attached policies entitle "Purchasing and Procurement Policies" and do direct that these policies shall supercede any and all previous purchasing policies as contained in Resolution No. 77-10 and including any subsequent amendments made thereto.

BE IT FURTHER RESOLVED that all agencies over which the County Commissioners have expenditure control and which have been subject to the policies as defined under Resolution No. 77-10 shall now be subject to the revised policies contained here.

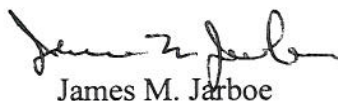
AND, IT IS FINALLY RESOLVED, that this Resolution shall be effective on the 10th day of June, 1999.

COUNTY COMMISSIONERS OF
CHARLES COUNTY, MARYLAND

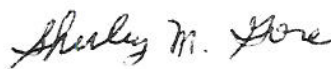

Murray D. Levy, President


Marland Deen


Robert J. Fuller


James M. Jarboe

ATTEST:


Shirley M. Gore, Clerk


Wm. Daniel Mayer

REVISIONS TO SEC. 203 OF COUNTY CODE
PROPOSED BY FISCAL SERVICES AND INTERNAL AUDIT
FEBRUARY 16, 1999

Sec. 203-1. Purchasing and Procurement Policies generally.

A. *Purchasing and Procurement.*

1. *Purchasing and Procurement authority designated.* The Chief of Purchasing shall be responsible for purchasing or contracting for all supplies and contractual services required by using agencies, except those specifically exempted in writing by the County Commissioners. Rules and regulations for the selection of firms and individuals who provide Architectural/Engineering professional services are set forth in other provisions of the public general laws and in Chapter 153, Architectural/Engineering Services, of the Charles County Code.
2. *Unlawful purchases or procurements.* It shall be unlawful for any officer or employee to purchase, contract or order any equipment, supplies, or services except as authorized by the Chief of Purchasing or through the procedures defined herein, and the county shall not be responsible for payment for any such unauthorized purchase or procurement.

B. *Competitive bidding.* Unless otherwise provided by law or by these policies, all purchases or procurements with an aggregate value exceeding fifteen thousand dollars (\$15,000.00) shall be made by advertised bid. All solicitations for bids shall be advertised and posted pursuant to law. Full opportunity to bid shall be granted to all qualified and responsible bidders. The bidders list, maintained by the Purchasing Office, listing the names and addresses of all interested vendors, may be used to solicit bids. Vendors may be removed from the bidders' list by the Chief of Purchasing for any of the following reasons:

1. Failure to reply to three (3) successive bid invitations. A "no bid" shall be considered a reply.
2. Repeated delinquency in making deliveries or default.
3. Suspension or debarment by any state or federal procurement authority.

C. *Joint or cooperative purchases and procurements.* The Chief of Purchasing may engage in programs involving joint or cooperative purchases and procurements with other public jurisdictions, including independent agencies operating under state law, the State of

Maryland, other counties and municipalities and Volunteer Fire Departments and Rescue Squads of these jurisdictions. The Chief of Purchasing may utilize formal bid contracts established by these jurisdictions when beneficial to the county. This may be accomplished without specific Board approval for individual transactions.

- D. *Unit cost contracts.* Unit cost contracts may be issued covering indeterminate requirements of specific commodities and services where the unit cost for the commodities or services are determined through competitive bidding procedures and agreed upon at the beginning of the contract period. The exact quantity to be purchased may be unknown. All unit cost contracts shall include instructions as to release format, item limitations, dollar limitations per purchase, if applicable, pricing provisions, billing instructions, and a written listing of individuals expressly authorized to make commitments under the unit cost contract. The Chief of Purchasing shall distribute to all using agencies information detailing the provisions and pricing of unit cost contracts.
- E. *Negotiated purchases and procurement.* The Chief of Purchasing may negotiate for purchases or other contracts over fifteen thousand dollars (\$15,000.00) under any of the following circumstances, with the specific approval of the County Administrator. If the purchase or contract is over twenty-five thousand dollars (\$25,000.00), the President of the Board of County Commissioners shall approve it after review by the County Administrator.
- (1) Emergency purchase is necessary. An emergency shall be deemed to exist when a breakdown in machinery or any incident threatens or terminates an essential service to the public.
 - (2) Supplies or services are proprietary in nature.
 - (3) When competition is precluded because of secret manufacturing processes or patent and/or copyrights and control of basic raw materials which are only available from a single sole source and no equivalent processes, products, services, or materials can reasonably be obtained.
 - (4) When competition has been unsuccessfully attempted. In such case, the Chief of Purchasing shall document the firms and individuals contacted and the date of such contact.
 - (5) In cases where no bids are received, or only a single bid is received, in response to formal advertising.
- F. *Competitive pricing.* Whenever practicable, it shall be the policy of the Purchasing Office to secure adequate competition to assure that the purchase or procurement is made at the lowest possible cost consistent with the quality and delivery requirements of the using

agency. Competitive pricing shall be obtained and at least three (3) quotes documented in all transactions estimated to result in expenditures of five hundred dollars (\$500.00) to fifteen thousand dollars (\$15,000.00). If three quotes cannot be obtained, information shall be documented in the file to that effect. Phone quotes or written quotes may be utilized.

- G. *Blanket purchase orders.* Blanket purchase orders may be issued covering indeterminate requirements of commodities and services. This system is to provide an expeditious means of obtaining incidental items as needed. Purchases under blanket purchase orders are limited to five hundred dollars (\$500.00) per purchase. All blanket purchase orders shall include instructions to the vendor as to release format, item limitations, dollar limitations, billing instructions, and identification of persons expressly authorized to conduct such orders. Employees authorized to purchase under the blanket purchase order procedures are provided with identification cards, which are issued by and may be rescinded by the Chief of Purchasing. BPO cards must be turned in to Purchasing upon the termination of employment of the cardholder.
- H. *Requisitions.* The purchase requisition or on-line request shall be used in all cases as an instrument for requesting contractual services or commodities. Requisitions shall be approved by the appropriate supervisor prior to submitting to Purchasing. Requisitions with incomplete information shall be rejected by Purchasing.
- I. *Purchase orders.* Purchase orders shall not be prepared without a substantiating, approved requisition from the using department. All purchases less than fifteen thousand dollars (\$15,000.00) shall be prepared on a purchase order form, except for long-term supply contracts and small dollar purchases, which may be accomplished via other methods described herein. In the instance of long-term supply contracts or advertised procurement, a contract award notice will be mailed to the vendor.
- J. *Verification of funds prior to purchase required.* Except for emergency purchases, no purchase exceeding five hundred dollars (\$500.00) shall be made until the availability of funds for the designated purpose is verified.
- K. *Negotiations with vendors.* No officer or employee of the county shall negotiate directly or indirectly with any vendor except with the approval of the Chief of Purchasing. Contact with employees in using departments by suppliers' representatives should be through or with the knowledge of the Chief of Purchasing.
- L. *Communications with vendors.* Insofar as possible or practical, any communications with vendors should be in writing to avoid misunderstandings and to provide an historical file.
- M. *Purchases considered as possible conflicts of interest.* Purchases of supplies, materials or services from a member of the governing body of Charles County or from members of

his or her immediate family; or from any other officer or employee of the county or members of his or her immediate family; or from any member or employee of a commission, board or corporation controlled or appointed by the Commissioners or from members of his or her immediate family shall be documented to provide a record for the public establishing that the purchase was made in the best interest of the county, price and other factors considered. All such purchasing activity must comply with the provisions of the Charles County Code of Ethics, Chapter 170 of the Code of Charles County.

- N. *Purchases of capital assets.* Purchases of capital assets, items with a useful life exceeding three years and costing one thousand dollars (\$1,000.00) or more, shall require a purchase order. Trade-ins of assets shall be performed by the Chief of Purchasing only, and should only be done if the Chief of Purchasing can demonstrate that it is highly probable that this would provide a better economic value than if the asset were auctioned. Trade-ins also require the approval of the County Administrator. Rental/purchase arrangements shall be coordinated only by the Chief of Purchasing, and approved in advance, similar to other capital purchases. Purchases of used assets must be specifically approved by the County Administrator.
- O. *Public availability of pricing information.* An open record policy shall be maintained whereby prices obtained through open competition and quotations are available to the public after a purchase is made upon receipt of a written request to the Chief of Purchasing.
- P. *Purchasing and procurement standards.*
1. *Preferential purchasing and contracts prohibited.* It is not permissible to favor any particular individual or firm with orders or to give those submitting bids or quotations information which will give anyone advantage over others seeking county business.
 2. *Local purchases and contracts.* Unless otherwise provided by applicable law, purchasing of goods or services from vendors whose principal place of business is physically located in Charles County is considered in the best interest of the county, provided that cost, quality, specifications and delivery are deemed equivalent. In the event that these provisions cannot be met, it then shall be considered in the county's interest to procure from a vendor whose principal place of business is located in the State of Maryland.
- Q. *Maintenance of files and records.* Complete files are to be maintained in the Purchasing Division consisting of at least the following:
1. Requisitions and purchase orders and copies of related correspondence.

2. General correspondence.
 3. Catalog files: descriptive literature of commodities regularly purchased.
 4. Commodity files.
 5. Vendor source files.
 6. Bidders' lists.
 7. Emergency report files.
 8. Bids and quotations.
 9. Negotiated purchase substantiations.
- R. *Purchasing and Procurement Procedures outlined.* Detailed purchasing and procurement procedures are documented separately, incorporating the policies enumerated in this chapter of the county code, and providing additional detailed instructions for using agencies. These procedures may be modified from time to time, upon the recommendation of the Director of Fiscal Services, with the specific approval of the County Administrator, with the knowledge and consent of the County Commissioners.
- S. *Violations of policies and procedures.* The Director of Fiscal Services shall immediately report to the County Administrator the following for administrative action or referral to the County Attorney:
1. Any violations of purchasing and procurement policies.
 2. Any situation where a vendor is not responsive or cooperative in providing requested information or invoices after reasonable attempts to secure same have been made.
 3. Any unusual delays in awarding contracts due to non-responsiveness of using agencies.
 4. Abuse of the emergency purchase order system by a particular employee, division, or agency.
 5. Capital purchases, not properly charged to capital outlay or pre-approved by the County Administrator.

Sec. 203-2. *Competitive bidding.*

A. *Specifications.*

1. *Preparation; changes or modifications.* The preparation of proper specifications is jointly the responsibility of the requesting department and the Purchasing Division. Prior to obtaining bids, the Chief of Purchasing may modify those specifications submitted by the using agency to permit competitive bidding and provide for a level of quality commensurate with the intended use of the article. The Chief of Purchasing shall notify the using agency of his intent and provide the agency with full particulars regarding the need, reason, extent, and nature of the changes. Disputes shall be referred through the Director of Fiscal Services to the County Administrator for resolution.
2. *Standards of quality.* A primary consideration in the preparation of specifications shall always be that the proposed expenditures are derived from public funds and administered by public agencies. Therefore, luxury or deluxe level of quality may not be in the public interest. The specifications shall reflect an adequate, standard quality of merchandise consistent with the end use requirements and shall represent an optimum relationship between quality and prices.
3. *Types of specifications.*
 - a. *Technical or design specifications.* These shall describe in detail the construction of the item desired.
 - b. *Performance specifications.* These describe the function and use of the product as the basic definition.
 - c. *"Or equivalent" notation.* This may be used to identify the level of quality desired and must always be used when a brand name is noted on a request.
4. In using any of the above types of specifications, it shall be the responsibility of the Chief of Purchasing to afford a basis for full and fair competitive bidding that is free from restrictions.

- B. *Bid security and/or performance bonds.* The use of bid surety and/or performance or payment bonds is at the discretion of the Chief of Purchasing. Bid security, in the form of a certified check or bonds shall be for a specific sum of money. All bid and performance bonds shall be issued by companies licensed to do business in the State of Maryland. Bid

securities shall be returned to the unsuccessful bidders immediately after award of the contract and to the successful bidder only after receipt of his performance and payment bonds and proper execution of the contract. Failure to execute the contract or furnish required bonds within the specified time may result in forfeiture of the bid security to the County Commissioners as liquidated damages.

C. *Receipt and opening of bids.*

1. Sealed bids must be received and opened at the prescribed time and date. Bids received after the prescribed time, regardless of reason, will be returned to the bidder unopened, with a letter of explanation. No bids may be changed or withdrawn after bid opening.
2. The Chief of Purchasing shall be responsible for setting the amount of bid bond required, if any. If a bid invitation specifies that a bid surety shall be submitted and such surety is omitted, the bid will not be read, recorded or considered.
3. All bids shall be publicly opened, read aloud and recorded. The tabulation shall be available for inspection in the Purchasing Office and made available to vendors in attendance. The Chief of Purchasing shall not attempt to give interpretations or answer questions until such time as he has had adequate time to review and study proposals.
4. A representative from the using agency or department is encouraged to attend the bid opening. At times, when an unusually complex or extensive bid is to be opened, the Chief of Purchasing may request the attendance of the County Attorney.

D. *Contract award.*

1. All formal advertised bids shall be awarded by the Board of County Commissioners through the County Administrator, upon recommendation of the Department of Fiscal Services, in accordance with delegation policies and procedures adopted by the Board as may be modified from time to time. Any extensions or modifications of existing contracts must also be approved by the County Commissioners and signed by the President of the Commissioners, in accordance with delegation policies, unless otherwise specified in the original contract.
2. The Director of Fiscal Services shall submit a written report to the Board of County Commissioners covering each bid in excess of fifteen thousand dollars (\$15,000.00). This report shall include the following information:

- a. The bid number, title and opening date.
- b. The department.
- c. The number of invitations mailed, the number of bidders and the number of firms submitting "no bids."
- d. A tabulation of bids received.
- e. Award recommendations.
- f. Basis of award recommendations.
- g. The signature of the County Attorney attesting to the legal sufficiency of the contract documents.

E. *Notification to bidders.*

- 1. *Successful bidders.* After a bid has been awarded by the Board of County Commissioners, the Chief of Purchasing shall notify the successful bidder. The following methods of notification may be used:
 - a. A contract award notice shall be mailed to the vendor.
 - b. A letter of award with a request for submission of performance and payment bonds, when applicable, shall be sent to the bidder.
 - c. A notice to proceed, with a copy of the executed contract, shall be sent to the bidder.
- 2. *Unsuccessful bidders.* The Chief of Purchasing shall be required to issue notifications to the unsuccessful bidders and return bid bonds or a certified check if included as a bid requirement.

Sec. 203-11. *Disposition of surplus property.*

- A. *Methods of disposition.* The Chief of Purchasing is responsible for the disposition of surplus, obsolete and scrap supplies and equipment. Disposition may be made in any of the following ways:
 - 1. Request vendor to substitute for other material.
 - 2. Transfer to other county departments or agencies.
 - 3. Return to supplier for credit.
 - 4. Outright sale via advertised bid or auction.

5. Scrapping.
6. Trade-in, with the approval of the County Administrator.

B. *Lists of obsolete or scrapped supplies or equipment.*

1. *Submission; contents.* All agencies shall periodically submit to the Chief of Purchasing a listing of any supplies and equipment which are no longer used or which have become obsolete, worn out or scrapped. This listing should include a full description, including serial numbers, condition, estimate of value, suggested disposition and when and where the item(s) can be inspected.
2. *Review.* The Chief of Purchasing will review all lists to determine the possible use of any surplus property by another agency.

C. *Sale of property.*

1. *Bids.* All bids are to be properly recorded with each transaction and held available for inspection in the files of the Purchasing Office.
2. *Notification; transfer of title.* Notification of award shall be made by letter from the Chief of Purchasing. After payment, a receipt issued by the Chief of Purchasing shall constitute transfer of title to the property to the buyer.

- D. *Use of proceeds.* Gains on disposal of assets shall be calculated and reported in a separate general ledger revenue account in the general fund or an enterprise fund, as applicable. Such gains, if significant, may be used as a revenue source for purchases of replacement assets, if specifically approved by the County Commissioners.

Sec. 203-12. *Law enforcement supplies and equipment.*

- A. The responsibilities and authorities of the Charles County Chief of Purchasing and the County Commissioners, as defined in this chapter, shall be delegated to the Sheriff of Charles County for the purchase of all materials, equipment and services for agencies over which the Sheriff has expenditure control and responsibility.
- B. The Charles County Sheriff shall otherwise comply with all other purchasing policies and procedures as defined under this chapter to the extent applicable.
- C. The Charles County Purchasing Office shall be available to assist the Sheriff in providing information regarding potential suppliers, specifications, open supply contracts and other

relevant information.

- D. The Charles County Sheriff shall establish internal controls surrounding purchasing transactions to ensure that:
1. Proper purchasing and accounting records are maintained.
 2. Proper approvals for purchases are obtained.
 3. Competitive bidding policies and procedures are followed.
 4. Sole source or emergency purchases are documented and approved.
 5. Receipt of merchandise is properly controlled and documented.
 6. Inventory records are properly maintained.
 7. Check requests to the Department of Fiscal Services are adequately documented.
 8. Disposition of surplus property is properly controlled and recorded in the Accounting records.
- E. The internal control policies and procedures established by the Sheriff shall be documented, in writing, and are subject to the approval of, modification by or audit ordered by the County Commissioners of Charles County.
- F. The Charles County Department of Fiscal Services and the Internal Audit Department of the County Commissioners shall be available to assist in documenting or setting up internal control policies and procedures for the Charles County Sheriff.

PURCHASING AND PROCUREMENT PROCEDURES:

GUIDELINES FOR USING AGENCIES

Scope: These guidelines cover all purchases and procurements of County Government agencies, excluding contracts for professional services or architectural/engineering services, which are set forth in other provisions of the public general laws, and locals laws relating to Charles County.

A. *Blanket purchase orders.*

Upon being added by Purchasing as an authorized vendor, local vendors are informed by Purchasing that they may accept presentation of Blanket Purchase Order Authorization cards and signature of the cardholder as proof of purchase authorization up to five hundred dollars (\$500.00) BPO cards are pre-numbered with four-digit numbers. Purchasing maintains the master list of authorized BPO cardholders. Cards may be issued by Purchasing upon request of department head. BPO cards must be turned into Purchasing whenever the employee terminates employment or otherwise removed as an authorized cardholder. Receipts for purchases using the BPO card must indicate the BPO card number. The general ledger account number and supervisor's approval must also be included before being forwarded to Accounting for processing.

B. *Requisitions.*

To achieve the fastest processing time, requests should be entered on-line by the requesting department. For those without access to the on-line procedure, manual purchase requisitions using a standard form available from Purchasing should be used. On-line requests or manual requisitions must be used as the instrument for requesting contractual services or commodities. Requisitions shall be approved by the appropriate supervisor prior to submitting to Purchasing.

1. *Contents.* Information shall be provided on the requisition as follows:
 - a. The date of preparation, the name of the department or agency and the person to contact for questions.
 - b. A complete description of goods or services ordered.
 - i. Items shall be described in technical detail whenever possible

rather than by brand and model number.

- ii. Brand names, in the absence of technical descriptive specifications, may be used, but only to identify the quality of the item requested and must be followed by the words "or equivalent."
 - iii. Specifications shall be nonrestrictive in order to yield maximum competition.
- c. The quantity of each item required.
 - d. The required delivery date (calendar date).
 - e. The delivery point. If the delivery point is other than the Purchasing Office, the building, room number and name of the individual responsible for checking in the merchandise shall be indicated.
 - f. The estimated cost of items, where known.
 - g. Suggested vendor, if known. The Purchasing Department shall make the final vendor selections, unless otherwise allowed under "D" below.
 - h. General ledger account number(s) to be charged.
 - i. Quotes obtained from additional vendors, if applicable.
 - j. Identification and description of terms available under a joint or cooperative purchase arrangement with another jurisdiction (i.e. "piggybacking") and copy of such contract if available. Note: The decision to participate or not participate in such a joint or cooperative purchase arrangement is solely the responsibility of the Chief of Purchasing.
 - k. Identification of the item purchased as a fixed asset, if applicable, i.e. if the useful life exceeds 3 years and the cost is one thousand dollars (\$1,000.00) or more. (Note: The fixed asset flag on the request input screen should be set to "Y" if applicable.)
2. Review; referral for subsequent action. Incomplete requisitions will be returned to the using department with an explanation of what is required, i.e., detailed specifications, required delivery, etc. The Chief of Purchasing has the right and duty to question any item(s) on a requisition that he feels may be unnecessary and/or unreasonable and refer those to the Director of Fiscal Services for

approval/disapproval action.

3. Purchases made under current unit cost contract agreements may reference the existing purchase order and bid number on the invoice, and do not require a requisition, UNLESS there is no open purchase order for the purchase. In that case, a requisition for accounting purposes is required, and should indicate the appropriate general ledger account number, total amount of the current purchase, and the bid number to indicate that negotiation for pricing has already occurred and has been accepted.

C. *Purchase orders.*

1. Purchase orders, pre-numbered by the financial system, should include the following information:
 - a. Purchase order number. All purchase orders will be pre-numbered and accounted for.
 - b. The name and address of the vendor.
 - c. Shipping instructions and shipping terms. Every effort should be made to obtain Prepaid/FOB Destination terms. Only if such an arrangement cannot be obtained should "Prepaid" and "Charge" be considered.
 - d. Delivery point. Whenever practicable, delivery will be made to general stores or central receiving. If another point is requested, the name of a specific person at the delivery point is to appear.
 - e. Delivery date. Each order shall indicate a specific delivery due date.
 - f. Quantity required.
 - g. A complete description of the item(s) to be purchased. Pertinent descriptive data, including catalog number, style number, color, etc., shall be included when available. The description might refer to "see specifications attached and made a part thereof."
 - h. Price. The quoted or bid price shall be included.
 - i. The rental period, if applicable.
 - j. Terms of payment. Terms shall be determined at the time the buyer obtains quotations.

- k. Specific conditions, where applicable.
 - l. Method of acquisition, i.e., bid number, phone quote, written quotes or repair estimates.
 - m. Signature of Chief of Purchasing or his designee.
 - n. Other information, as needed, such as warranty provisions or trade-in allowances, when applicable.
2. Distribution of the purchase order form by the Purchasing Division will be as follows:
- a. The original shall be sent to the vendor.
 - b. One copy should be attached to the requisition copy and placed in the purchase files maintained in Purchasing, segregated by division.
 - c. No copy is sent to the requesting agency unless the using agency specifically requested return of the purchase order. Otherwise, the status of the purchase order may be checked on-line.
3. Purchasing shall distribute reports of open purchase orders to management quarterly, or provide the capability for using agencies to obtain such reports on-line.

D. Delegation of Purchasing Authority allowed. The Chief of Purchasing may consider and grant requests from using agencies for the authorization to assign purchase order numbers, previously reserved for the particular agency, to requisitions for emergency purchases, or for non-emergency purchases less than twenty five hundred dollars (\$2,500.00). Such requisitions require entry of all the standard information for purchase orders, as outlined at "C" above, as well as the on-line documentation of price quotes received and/or justification of vendor selection, if no additional quotes are documented, to ensure adequate competition and best pricing. The using agency shall submit a detailed justification for any emergency purchase in excess of twenty-five hundred dollars (\$2,500.00). Purchases by using agencies shall be monitored by the Chief of Purchasing and periodically audited by the Internal Auditor to assure appropriate use and adherence to policies. Such authority may be rescinded by the Chief of Purchasing.

E. Emergency purchases. An emergency shall be deemed to exist when a breakdown in machinery or any incident threatens or terminates an essential service to the public.

- 1. If an emergency purchase exceeds twenty-five thousand dollars (\$25,000.00), the President of the County Commissioners and the County Administrator should be

immediately notified and informed. Unless it is not possible under the particular circumstances of the emergency situation to safeguard the health, safety and welfare of the public, prior approval of the President or his designee through the County Administrator should be obtained before making any such emergency purchase or contract. In any event, subsequent ratification by the Board of County Commissioners is required for such emergency contracts.

2. If an emergency occurs during normal business hours, it is the responsibility of the Chief of Purchasing to make the necessary arrangements for the required materials or services.
3. If the Chief of Purchasing is not available, the purchase may be made by the using agency; however, the following procedures for emergency purchases outside of office hours shall be applicable:
 - a. If an emergency occurs outside of the office hours, the using agency may purchase the requirements directly; however, the agency shall obtain, whenever practicable, competitive verbal quotations and place the order with the lowest bidder who is able to meet delivery and quality requirements. Any department may request that a series of purchase order numbers be assigned to them for the purpose of placing emergency purchase orders. The safekeeping and use of such purchase orders is the sole responsibility of the department head of that department.
 - b. Where practical, those companies who normally do business with the county government shall be contacted.
 - c. The using agency shall submit to the Chief of Purchasing on the next regular business day the following documentation:
 - i. A requisition marked "Confirming - - Do not Duplicate."
 - ii. Tabulation of quotes received.
 - iii. A copy of the signed delivery receipt or service request.
 - iv. An explanation and justification for emergency purchase.
4. The Chief of Purchasing shall submit the details of all such purchases in excess of fifteen thousand dollars (\$15,000.00) to the Director of Fiscal Services. Abuse of this policy shall be addressed on a case by case basis by the County Administrator and/or County Commissioners.

F. Processing time.

1. It is extremely important that the requisitioning agency or department plan and project its requirements well in advance of actual need. Requisition processing time varies, depending on many factors, including the following:
 - a. Specifications. If adequate and open specifications are not submitted with the requisition, they will have to be developed. The time required for the research and the development of specifications may vary from a few days to a month or longer, depending upon the complexity of the item.
 - b. Bid processing. If formal bids are required, the following schedule indicates the normal processing time after adequate specifications have been developed:
 - i. For bid advertising and time for submission after mailing: three (3) to four (4) weeks.
 - ii. For bid evaluation and securing of vendor performance and payment bonds and verification of fund availability: ten (1) days to three (3) weeks.
 - iii. The time required for the Board of County Commissioners to consider award recommendations and award contract: generally one (1) to two (2) weeks, depending on complexity.
 - iv. Delivery of merchandise may vary from a few days to several months, depending on commodity availability, manufacturer's production schedules, and other factors.
2. Any unusual delays in awarding contracts due to non-responsiveness of using agencies will be reported to the County Administrator through the Director of Fiscal Services.

G. Receipt of Goods and Services; Evidence of Receipt.

1. General procedures.
 - a. Merchandise. When receiving any merchandise when there is no obvious damage, Purchasing or the using department shall sign for the shipment and mark the shipper's copy of the ticket "item received, subject to inspection for concealed damage and latent defects."

- b. Services. Daily time reports of contract staff or agents, such as contract haulers, should be reviewed and approved by a supervisor on site who can verify that the information, including billed hours and location of work, is correct.

2. Procedures for damaged merchandise.

- a. The following procedures shall be observed in reporting receipt of damaged merchandise:
 - i. Note obvious damage or damage to shipping containers on the receiving ticket and carrier's freight bill before signing for materials.
 - ii. Open damaged containers and inspect merchandise for concealed damage.
 - iii. Sign for and accept shipment of damaged merchandise and have driver sign acknowledging damage.
 - iv. Using agencies shall immediately, within twenty-four (24) hours, notify the Chief of Purchasing of damaged materials received and forward a copy of the freight bill or bill of lading.
 - v. Hold damaged merchandise and all packaging materials, pending the shipper's inspection.
 - vi. When the purchase order states "FOB Delivered," hold a copy of the bill of lading, pending replacement of damaged merchandise.
 - vii. When the purchase order states "FOB Shipping Point," forward the receiving report to Purchasing. In this case, it is the county's obligation to pay the vendor, order replacements and file a claim with the express company for reimbursement.
- b. The Chief of Purchasing will immediately take the following action:
 - FOB Delivery Point. The Chief of Purchasing shall:
 - i. Notify the vendor of the damage and request a no-charge replacement.
 - ii. Advise the vendor of where the damaged merchandise can be inspected and that payment will be held in abeyance pending replacement.
 - FOB Shipping Point. The Chief of Purchasing shall:
 - i. Notify the express company or carrier of the receipt of damaged merchandise and initiate the filing of a claim.
 - ii. Notify the express company or carrier of the location of the damaged merchandise.

- iii. Prepare a reorder and forward to the appropriate vendor with an explanation.
 - iv. Notify the requisitioning department of the action being taken.
 - c. Under the provisions of the Interstate Commerce Commission regulations, failure to promptly notify the carrier or vendor, as applicable, of damages may relieve either of responsibility. The risk of loss would then be borne by the county. Accordingly, any shortage or damaged merchandise received by a using agency must be reported immediately to the Purchasing Division.
- 3. Tickets should be signed by the employee receiving the items, after checking for accuracy. The signature of the supplier's hauler or a contract hauler for Charles County Government is not sufficient for providing evidence of receipt. Approved tickets, time reports, or other evidence of receipt, with account numbers assigned, should be forwarded to Accounting for payment in a timely manner.
 - 4. On-line documentation of receipt of goods may be used, and results in faster processing time of invoices for payment. If on-line documentation of receipt is used, the original document including approvals, should be maintained by the using department for audit purposes.

H. Payment to Vendors

- 1. Invoices and statements from vendors should be sent directly to Accounting unless Accounting communicates otherwise to the vendor.
- 2. Accounting shall compare invoice information to purchase orders or contracts, review evidence of receipt, and verify that appropriate approvals are noted before approving for payment.

I. Communication.

- 1. Questions regarding these procedures should be directed to the Purchasing Division of Fiscal Services.
- 2. Comments and suggested improvements in purchasing procedures should be submitted in writing to the Director of Fiscal Services.

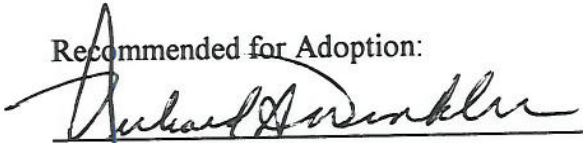
J. *Adoption.*

These Purchasing Procedures are approved by the County Administrator, following consultation with the Director of Fiscal Services.

These Purchasing Procedures may be modified only upon written approval of any proposed modification by the County Administrator, upon the recommendation of the Director of Fiscal Services, and with the knowledge and consent of the County Commissioners.

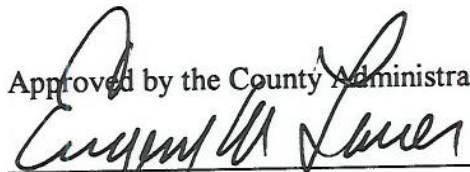
Purchasing Procedures:

Recommended for Adoption:


Richard A. Winkler
Director of the Department of Fiscal Services
Charles County, Maryland

6/1/99
Date

Approved by the County Administrator:


Eugene T. Lauer
County Administrator
Charles County, Maryland

6/1/99
Date